

**Minutes Of The Board Of Trustees**  
**City Of Cincinnati**  
**Retirement System**  
**August 5, 2004**

The Chairman called the meeting to order at 1:30 p.m. with the following members present:

V. Daniel Radford, Chairman  
William Moller, Secretary  
Valerie Lemmie, City Manager  
John Bowling  
Brian Pickering  
Joe Harrison  
Marijane Klug  
Michael Rachford  
Edwin Volpe

Members Absent

Charlie Luken, Mayor  
John Cranley, Councilmember

Mr. Radford called for a motion to approve the minutes of the June 3, 2004 Board Meeting. The motion was made by Mr. Bowling, seconded by Ms. Lemmie, and carried by the Board. The minutes were approved as prepared by the Secretary.

The Chairman changed the order of business in order to conduct the swearing in of the newly elected trustee, Ms. Marijane Klug. Assistant City Solicitor, Terrance Nestor, administered the oath of office.

Mr. Ely Ryder was presented with a plaque of recognition by the Chairman on behalf of the Board, for his diligence and dedication as an elected trustee to the Board. Mr. Moller and Ms. Lemmie also expressed their appreciation for the quality and caliber of his service to the Board, and the members of the system.

## **BENEFITS COMMITTEE**

On behalf of the Benefits Committee, Mr. Rachford reported that the Committee met on July 29, 2004. Mr. Rachford gave the following report:

1. Application for Ordinary Retirement August 1, 2004: Total – 15

<b>No.</b>	<b>NAME</b>	<b>DEPARTMENT</b>
33480	Glenn Ross	University Hospital
36919	Earl Eldridge	MSD
39064	Silos Dela Calzada	Recreation
40810	Mark Cole	Water Works
40835	Roger Jones	MSD
41082	Thomas Miller	Recreation
41206	Gertrude Shank	University Hospital
41270	Charles Steele	Water Works
41300	Dalila Chevere	University Hospital
41337	James DePaoli	MSD
41358	Angela Mayer	Recreation
42177	Jeanne Scott	Health
44667	Virginia Baker	Health
52027	Richard Regan	MSD
32389	Edwin Curtis	University of Cincinnati

2. Application for Retired Members Deaths: Total – 8

4. Application for Disability Retirement: Total – 1

<b>NO.</b>	<b>NAME</b>	<b>DEPARTMENT</b>
50023	Linda Rowland	Parking Facilities

Mr. Rachford moved that the Board accept the report of the Benefits Committee. The motion was seconded by Mr. Moller and carried by the Board.

## **INVESTMENT COMMITTEE**

Mr. Moller reported that the Investment Committee last met on June 4, 2004 at 1:30 in Committee Room B. At that meeting, the Investment Committee agreed to take the following manager watch list actions:

- 1) Navallier be placed on the watch list for qualitative reasons as Alan Alpers, Portfolio Manager on the CRS portfolio, has recently left the firm.
- 2) Add Delaware International Advisors to the watch list for qualitative reasons due to a change in its ownership structure.
- 3) Add PanAgora Asset Management to the watch list for qualitative reasons due to increased ownership interest of the firm by Putnam Investments.

Mr. Moller indicated that representatives from PanAgora would be on hand at the August 6, 2004 Investment Committee to discuss the ownership restructuring and the impact it would have on the investment personnel managing the CRS portfolio.

Mr. Moller also reported that the Investment Committee had approved recommendations made by the Investment Consultant for the screening criteria to be used in a potential search for a small/mid-cap growth manager. Mr. Moller indicated that the preliminary results of the screening process would be delivered to the Committee at the August 6, 2004 meeting.

### **SECRETARY'S REPORT**

Mr. Moller reported that as of June 30, the value of fund assets were about \$2.31 billion, a year-to-date decrease of almost 1%. The asset allocations as of June 30, 2004 were all within their target ranges, so there would be no rebalancing recommendations. The asset allocation as of June 30, 2004 was 52.1% domestic equity, 13.7% international equity, 33.3% fixed income, and 0.9% alternative assets/treasury cash.

The Secretary submitted the following report:

1. Resolution for Enrollment of New Members – Total: 73
2. Resolution for Return of Contributions & Death Benefits– Total: 53  
Amount: \$242,934.55
3. Resolution for Loans to Members – Total: 63 – Amount: \$536,371.22
4. Report on Deaths of Pensioned Members – Total: 14
5. Report on Military Service Credit prior to Membership – Total: 2

The Secretary submitted the following vouchers for payment:

<b>PAYEE</b>	<b>AMOUNT</b>
City of Cincinnati – Accounts & Audits, Medical Insurance for 2 <sup>nd</sup> Quarter	\$13,121.97
Coy, Gilbert & Gilbert Law Office – Professional Services Rendered	\$1,706.15
All Star Personnel Services – Temporary Personnel Services	\$631.50
City of Cincinnati – Printing Services, Postage & Printing charges for June 2004	\$6,308.08
Mercer Human Resource Consulting – Professional Services Rendered	\$73,048.00
Advanced Transitions Inc. – Professional Services Rendered	\$6,491.40
Parman Group Inc. – Report of Disability Evaluations	\$105.00
Mae Consulting Inc. – Professional Services Rendered	\$780.00
V. Daniel Radford – Reimbursement of Conference Expenses incurred June 27-30, 2004 – Carlsbad, CA	\$2,207.10
International Foundation Conference – Registration Fee for Conference for Joe Harrison	\$1,265.00
All Star Personnel Inc. – Temporary Personnel Services	\$429.42
ABS Business Products Inc. – Monthly Rental Base Rate for Copier	\$238.50

City of Cincinnati – Communications Technology Services for telephone services during June 2004	\$363.81
Business Information Solutions Inc. – Storage of CRS files	\$120.32
Mercer Human Resource Consulting – Professional Services Rendered	\$1,499.00
The Bank of New York – Annual Custody and Sub-Custody fees	\$25,349.26
Squire, Sanders & Dempsey LLP – Professional Services Rendered	\$2,025.00
All Star Personnel Inc. – Temporary Personnel Services	\$429.42
City of Cincinnati Division of Stores – Billing for Stores Items for July 2004	\$321.78
City of Cincinnati Printing Services – Printing & Postages charges for July 2004	\$4,054.93

The Secretary reported that at the close of business July 31, 2004, there was in the Treasury to the credit of the Retirement System the amount of \$3,390,126.41.

**Asset Valuation:**

- December 31, 2003: \$2.29 billion
- June 30, 2004: \$2.31 billion
- YTD Increase (Decrease): (0.8)%

**Current Asset Allocation: (Policy Objective)**

- Domestic Equity: 52.1% (50%)
- International: 13.7% (13.5%)
- Fixed Income: 33.3% (33.5%)
- Alternative Assets/Treasury Cash: 0.9% (3%)

**PENDING BUSINESS**

Mr. Moller reported that the update on the System's health care costs should be available before the next Board meeting. The results will be distributed to the Board members when received. Mr. Fink reported that the Asset/Liability study continues to be on hold pending a resolution of the health care design issues.

Mr. Fink advised the Board that three legal opinions have been included in the Board package. The opinions pertain to questions raised by the Board on Health Care, Domestic Partner Benefits and on Disability Retirement. Mr. Fink stated that the Disability Retirement opinion has been discussed at the Benefits Committee and that further discussion will be required. Ms. Hardin, Assistant City Solicitor provided a brief summary of the legal opinions.

Mr. Moller noted that the legal opinion on Domestic Partner Benefits (which was issued after the June 4<sup>th</sup> Board meeting) has caused him to reconsider the action taken by the Board on June 4<sup>th</sup>. (The Board's action was taken in response to a request brought to the Board by Mr. Jack Rennekamp, a member of the retirement system.) In particular, Mr. Moller noted the City Solicitor's opinion that the Ohio Revised Code limits the Board's, as well as the City Council's, discretion in this matter. Mr. Moller commented that given

this finding, the Board's June 4<sup>th</sup> motion that the Board forward Mr. Rennekamp's request to City Council for guidance in this matter now appears moot. Mr. Volpe agreed and moved that the Board not forward Mr. Rennekamp's request to Council and that no further action be taken by the Board on this matter. Mr. Volpe commented that if Mr. Rennekamp would like to continue to pursue this matter, he should do so directly to City Council. Ms. Lemmie seconded Mr. Volpe's motion. Mr. Radford called for a vote. All voted in favor of the motion, none opposed.

### **NEW BUSINESS**

The Chairman gave Mr. Tom Ellis the opportunity to address the Board regarding his past 10 years of service credit, when he left City Service for a position with AFSCME. After a lengthy discussion on this subject, Mr. Harrison reported on behalf of the Benefits Committee that this item be referred to the City Solicitor's office for recommendation.

A motion to refer Mr. Ellis' request to the City Solicitor for guidance was made by Mr. Harrison and seconded by Mr. Pickering. All voted in favor of the motion, none opposed. Mr. Moller asked that the Solicitor's findings be available for review at the next Benefits Committee meeting.

### **ADJOURNMENT**

Upon request of the Chairman's motion to adjourn, the motion was made by Ms. Lemmie seconded by Mr. Rachford, and carried by the Board. The meeting was adjourned at 2:15 p.m.